IN THE

Supreme Court of the United States

OCTOBER TERM, 1942

CARON CORPORATION,
against *Petitioner,*
R. K. O. RADIO PICTURES, INC.,
Respondent.
No.

BRIEF IN SUPPORT OF PETITION

There are no questions of fact involved. The decision below is based solely upon petitioner's complaint.

The matter involved is stated in the petition.

The opinions below and the jurisdiction of this Court are fully set forth in the petition.

Argument

A. Petitioner has alleged a cause of action as holder of Trade-Marks registered under the Act of Congress of February 20, 1905 and is entitled to the benefits of the remedies granted by that Act in a State Court to the same extent as in a Federal Court.

The provision of the Act of Congress of February 20, 1905, U. S. C. Title 15, by Section 99, entitles "the owner of a trade-mark registered" under the Act to an injunction

"according to the course and principles of equity to prevent the violation of any right of" such owner. This sweeping expression "any right" shows that the remedy of injunction may be invoked under the Act not only in ordinary cases of technical infringement where competing goods are sold by an infringer, not only in cases where actual use is made of the trade-mark on goods sold to purchasers, whether competing or non-competing with those of the trade-mark owner, but, in any and every case where any sort of unauthorized use of the trade-mark is shown and whether the action is brought in a Federal or State Court.

As this Court said in *Thaddeus Davids Co.* v. *Davids*, 233 U. S. 461 at page 471:

> "* * * the right to be protected against an unwarranted use of the registered mark has been made a statutory right * * * Moreover, in view of this statutory right, it could not be considered necessary that the complainant in order to establish infringement should show wrongful intent in fact on the part of the defendant, or facts justifying the inference of such an intent. * * * Having duly registered under the Act, the complainant would be entitled to protection against any infringing use;"

In a suit to enjoin the infringement of a trade-mark registered under the Act, federal law will be applied.

> *Pecheur Lozenge Co. Inc.* v. *National Candy Co., Inc.*, 315 U. S. 666.

And upon application of federal law, judicial interference will depend on the facts proved and found.

> *American Foundries* v. *Robertson*, 269 U. S. 372.

B. The established federal law grants the owner of a registered trade-mark the right to restrain the unauthorized use of a trade-mark and to control its use by anyone else.

The right of an owner of a registered trade-mark to protect the good-will of which the trade-mark is the symbol, has been upheld to enable the owner of the trade-mark to protect his good-will from harm through acts having that effect upon the minds of the consuming public. And this right is retained by the owner of the trade-mark, notwithstanding that the commodity bearing the mark has been parted with.

This conclusion was arrived at by this Court in *Old Dearborn* v. *Seagram,* 299 U. S. 183; in upholding the constitutionality of the Illinois Fair Trade Act allowing the owner of a trade-mark to enforce uniform retail prices for his goods.

The Court stated at page 193:

> "The essence of the statutory violation then consists not in the bare disposition of the commodity, but in a forbidden use of the trade-mark, brand or name in accomplishing such disposition. The primary aim of the law is to protect the property—namely, the good-will—of the producer, which he still owns. The price restriction is adopted as an appropriate means to that perfectly legitimate end, and not as an end in itself."

Respondent has resorted to an "infringing use" of petitioner's trade-mark in a novel manner and by an ingenious method for the purpose of enhancing the prestige, effectiveness and marketability of its film "Primrose Path" without authority therefor and without regard to petitioner's rights and detrimental thereto. But although the tools are different the right invaded is the same.

A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants, and the protection of the trade-mark is the law's recognition of the psychological function of symbols. The value of the symbol, then, is pecuniary, and to augment the value thereof, the owner in his discretion may license the use of the trade-mark for any purpose. But such use and licensing is the exclusive right of the owner of the registered trade-mark and the right which is a corollary thereto is the right to direct the nature and purpose of the licensed use, in order to protect the property right of the owner in his trade-mark.

Speaking of the monopoly conferred by a trade-mark registered under the Act of 1905 this Court (by HOLMES, *J.*) in *Bourjois* v. *Katzel*, 260 U. S. 689, said, at p. 692:

> "It deals with a delicate matter that may be of great value but that easily is destroyed, and therefore should be protected with corresponding care."

The state court was bound to enforce the right invoked under the Act of 1905 to the same extent as a federal court:

> "Upon the state courts, equally with the courts of the Union, rests the obligation to guard and enforce every right secured by the Constitution and laws of the United States whenever those rights are involved in any suit or proceedings before them" (*U. S.* v. *Bank of New York Co.*, 296 U. S. 463, at p. 479).

While the statutory grant to the trade-mark owner of the right to an injunction is not, of course, absolute, but only "according to the course and principles of equity," the allegations of the complaint are clearly sufficient to show that this petitioner is entitled to it. Those allegations show that the respondent's use of the trade-mark was unauthorized, that it was injurious to the good-will of the

owner of the mark, and that there is no adequate remedy at law. These clearly bring the case within the "course and principles of equity" and render the statutory right to injunctive relief undeniable.

Conclusion

For the reasons set forth in the petition, this Court should review the decision of the Appellate Division of the Supreme Court of the State of New York, First Department.

New York City, December 23, 1942.

Respectfully submitted,

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